



NEEDS VS. WANTS

GRADE LEVEL 10-12



"TAKE CHARGE OF YOUR FINANCES"

Time to complete: 35 minutes

NATIONAL CONTENT STANDARDS

Family and Consumer Science Standards: 2.1.2, 2.5.1, 3.3.2

National Council on Economic Education Teaching Standards:

National Standards for Business Education

- Career Development:
- Economics: I.1, II.1
- Personal Finance: I.1-2

OBJECTIVES

Upon completion of this lesson, students will be able to:

- Identify the difference between a need and a want.
- Understand how personal financial decisions are influenced by a person's interpretation of needs and wants.

INTRODUCTION

Students need to understand the difference between needs and wants and how they influence financial decisions. A **need** is something thought to be a necessity or essential items required for life. Examples include food, water, and shelter. A **want** is something unnecessary but desired or items which increase the quality of living. Examples include a car stereo, CD's, car, and designer clothes. Depending upon what a person defines as a need or a want will influence his/her financial decisions. For example, a person who deems a vehicle as a need will have larger expenses than a person who relies on a bicycle for transportation and sees a vehicle as a want.

In this lesson, students determine if certain items are a need or a want. Then the class compares the answers to show how people have different interpretations of needs and wants and how it affects finances.

**Note to educator:* This lesson works well when followed by the *Values Auction 1.17.4* or *Values Continuum Lesson Plan 1.17.5*.

BODY

1. Discuss the definition and difference between a need and a want.
 - a. Need – something thought to be a necessity, essential items required for life.
 - b. Want – something unnecessary but desired, items which increase the quality of living.
2. Hand out the *Needs vs. Wants* worksheet 1.17.2.A1 for students to individually complete during class to identify if they feel the specific examples are needs or wants.
3. After the class has finished completing the worksheet, discuss each example as a class by completing the following activity. **Note to educator:* The classroom may be set up before class to avoid disruption in the middle of the lesson.
 - a. Arrange the room into two sides. Put chairs on each side and leave a wide path in the middle of the two sides.

- b. Label one side 'wants' and the other side 'needs.'
- c. Divide the students in half and have them sit in the chairs on both sides of the room.
- d. Explain the activity to the students.
 - i. An item will be read from the completed worksheet. One side of the room represents wants and the other side of the room represents needs.
 - ii. Once the item has been read, each student must choose whether the item is a need or a want. They will actuate their decision by walking to the side of the room designated as their choice.
 - iii. The teacher may choose to allow students to stand in the center of the room if they are undecided or have no preference in the decision.
- e. After the students have chosen which side of the room they feel labels the item correctly, hold a discussion and ask the students to explain why they chose to categorize the item as a need or a want.
 - i. Stress all people have different interpretations of needs and wants.
 - ii. Some examples, such as a vehicle, may be classified as both a need and a want based upon a person's interpretation.
- f. On each example, ask students how the item could affect a person's finances depending upon whether they felt the item was a need or a want.

CONCLUSION

Stress the relationship between needs and wants and a person's interpretation and how it affects financial decisions.

- For example, a person who deems a vehicle as a need will have larger expenses than a person who relies on a bicycle for transportation and sees a vehicle as a want.

ASSESSMENT

Students complete the *Needs vs. Wants* worksheet 1.17.2.A1.

MATERIALS

Needs vs. Wants worksheet – 1.17.2.A1

NEEDS VS. WANTS

	Total Points Earned
10	Total Points Possible (1 point per line)
	Percentage

Name _____

Date _____

Class _____

Item/Activity	Need	Want
Clothing		
Going to the movies		
Going out to eat		
A place to live		
A car/truck		
A computer		
Owning an MP3 player		
Going to a basketball game		
Owning a vacation home		
Food		



Did you know... The average consumer spends 85% of their income on items which last fewer than 3 years?